UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

'Vidyut Niyamak Bhawan', Near I.S.B.T., P.O.-Majra, Dehradun-248171

Draft Notification

September …, 2025

……..In exercise of powers conferred under Section 181 read with Section 86(1)(e) of the Electricity Act, 2003, and all other powers enabling it in this behalf, and after previous publication, the Uttarakhand Electricity Regulatory Commission hereby makes the following amendments in the UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2023 (Principal Regulations, 2023) and subsequent amendment made in the same, if any, namely:

1. Short Title, Commencement and Interpretation:

(1) These Regulations may be called the UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) (Second Amendment) Regulations, 2025 (Principal Regulations, 2023).

(2) These Regulations shall come into force from the date of notification and unless reviewed earlier or extended by the Commission, shall remain in force for a period of 5 years from the date of commencement of Principal Regulations.

2. Amendment in Regulation 2 i.e. '*Scope and extend of application*' of the Principal Regulations, 2023:

"

(1) These regulations shall apply in all cases where supply of electricity is being made from Renewable Energy Based Generating Stations, commissioned after coming effect of these Regulations, to the distribution licensees or local rural grids within the State of Uttarakhand:

Provided that in cases of Wind, Small Hydro projects, Biomass power based on Rankine cycle, Non-Fossil Fuel based cogeneration projects, Solar PV, Canal Bank & Canal Top Solar PV projects, Solar Thermal power projects, Grid Interactive Roof Top and Small Solar PV plants, Battery Energy Storage System, Biomass gasifier and Biogas, Municipal Solid Waste and Refuse Derived Fuel based power project these Regulations shall apply subject to the fulfilment of eligibility criteria specified in Regulation 4 of these Regulations.

Provided further that the location and benefits to be derived from BESS projects should be clearly identified by the discom based on some scientific study and approval of the Commission shall be sought before issuance of the bids.;

Provided further that Regulations in Chapter 4 & 5 (except clause (B) & (C) of sub-Regulation (1) of Regulation 27) of these Regulations shall not be applicable for generating stations commissioned prior to coming into effect of these Regulations and their existing tariffs shall continue to be applicable;

Provided also that clause (d) of sub-Regulation (3) of Regulation 11, 2nd & 3rd proviso of sub-Regulation 7 of Regulation 15 shall be applicable to such stations commissioned prior to coming into effect of these Regulations;

Provided that the tariff computation norms shall be in accordance with the Regulations prevalent during the year of commissioning of those stations;

Provided also that normative levelised tariff of 12 paise/unit, over and above the generic tariff for solar thermal/PV generating stations and normative levelized tariff of 5 paisa/unit, over and above the generic tariff for Small Hydro Plants as specified in Regulation 16(1)(c) shall also be applicable to such stations commissioned prior to coming into effect of these Regulations;

Provided also that the Regulations other than those in Chapter 4 and 5 shall apply to other generating stations located in the State of Uttarakhand, which are based on Renewable Sources of Energy including non-fossil fuel based Co-generation and which transmit and/or supply electricity to any person other than the distribution licensee of the State utilizing State Transmission and/or Distribution System.

(2) *The existing projects, which are at present supplying power to third party shall have the option to switch over to supply to the distribution licensee subject to provisions of Regulation 7 of these Regulations or the local rural grid, at generic tariffs as was applicable at the time of commissioning of their project or seek determination of project specific tariff from the Commission. The option shall be for the balance life of the project and shall not be allowed to be changed once it is exercised.*

(3) *The generic tariff specified for Wind, Battery Energy Storage System, Solar PV and Solar Thermal power projects under these Regulations shall be the maximum tariff and the distribution licensee shall invite tariff based competitive bids from generators/developers for procurement of power from these generators/developers. The distribution licensee shall enter into a PPA with the generators/developers bidding lower tariff.*

Provided that implementation of Canal Bank and Canal Top Solar Power Plants by the eligible government organisation shall be done through tariff based competitive bidding process. In such cases

PPA for sale of power from these plants shall be signed with distribution licensee with the eligible Government organisation who shall get a margin of 4% of the tariff quoted by L-1 bidder towards their resources employed, however, the tariff plus a margin of 4% shall not exceed the generic tariff determined by the Commission for the year of commissioning.

Provided that in case of an Intermediary Agency, for implementation of Battery Energy Storage System for the discom, the trading margin shall be 5 paise per unit. The L-1 tariff plus a margin of 5 paise shall not exceed the generic tariff determined by the Commission for the year of commissioning.

Provided further that in no case PPA for purchase of power by the distribution licensee shall be executed at a tariff exceeding the ceiling tariff as specified by the Commission in accordance with the regulations.

(4) The generating stations covered under these Regulations shall be deemed to be the generating station of a generating company and all functions, obligations & duties assigned to such generating company under the Electricity Act, 2003 shall apply to these generating stations."

3. Insertion of definition of 'Battery Energy Storage System' after sub-regulation (1)(iii) of Regulation 3 of Principal Regulations, 2023:

"(iii)(a) ***"Battery Energy Storage System"*** *or* ***"BESS"*** *means the system that shall utilize methods and the technologies such as electrochemical batteries (Lead Acid, Li-ion, solid state batteries, flow batteries, Nickel-cadmium etc.), providing a facility that can store chemical energy and deliver the stored energy in the form of electricity, including but not limited to ancillary facilities (grid support)."*

4. Insertion of definition of *'Charge Ramp Rate'* and *'Cycle Efficiency of Energy Storage System'* after sub-regulation (1)(xiii) of Regulation 3 of Principal Regulations, 2023:

"(xiii)(a) ***"Charge Ramp Rate"*** *means how quickly electric storage resources can transition from zero state to charge to full state of charge.*

(xiii)(b) ***"Cycle/Round Trip Efficiency of Energy Storage System"*** *means, the ratio of energy output to energy input over a complete charge and discharge cycle, expressed as a percentage.*

*Cycle/Round Trip Efficiency ratio = (Energy Output/Energy Input)*100%"*

5. Amendment in sub-regulation (1)(xvi) of Regulations 3, i.e. *'Definitions'* of Principal Regulations, 2023:

"(xvi) "Date of commercial operation or Commissioning (CoD)" *in relation to a unit means the date declared by the generator on achieving maximum continuous rating through a successful trial run and in relation to the generating station, the date of commercial operation means the date of commercial*

operation of the last unit or block of generating station and expression 'commissioning' shall be construed accordingly.

Provided that in case of Small Hydro Plants the date of commissioning shall not be linked to achieving maximum continuous rating, nevertheless the generator will have to demonstrate the same within three years of commissioning.

The date of commissioning of Solar PV plant shall be considered as the date of first injection of power into the licensee's grid after completion of the project in all respect subsequent to compliance of the following prerequisites, i.e.

(i) Installation of energy meter by the distribution licensee. The Distribution licensee shall install the meter within 7 days from the receipt of complete application;

(ii) Issuance of Clearance Certificate by the Electrical Inspector.

Provided that minimum 75% Performance Ratio based on the rated installed capacity in kW or MW is demonstrated within ten (10) days from the date of first injection of power into licensee's grid on compliance of aforesaid pre-requisites.

For a Battery Energy Storage System, COD shall mean the date declared by the project developer or the implementing agency, after successful commissioning and performance testing of the system, on which the BESS is capable of providing the contracted capacity as per the agreed technical parameters and subject to the following conditions:

(i) The system has been successfully commissioned and tested in accordance with applicable technical standards (such as CEA Grid Standard Regulations, IEEE/IEC standards, or utility-specific commissioning protocols) and issuance of Clearance Certificate by the Electrical Inspector;

(ii) Completion of all contractual obligations related to interconnection, grid synchronization, and metering. The Distribution licensee shall install the meter within 7 days from the receipt of complete application.

(iii) Demonstration of system performance for minimum duration as per the technical specification laid down by the distribution licensee. (e.g., charging-discharging cycle, response time, etc.).""

6. Insertion of definition of *'Discharge Ramp Rate'* after sub-regulation (1)(xix) of Regulation 3 of Principal Regulations, 2023:

"(xix)(a) "Discharge Ramp Rate" means how quickly electric storage resources can transition from no output to full output, similar to the Ramp-up rate of conventional generators."

7. Insertion of useful life of BESS after sub-regulation (1)(lxv)(vii) of Regulation 3 of Principal Regulations, 2023:

"(viii) Battery Energy Storage System- 12 years with an option for five years extension. However, for the extended period, the tariff shall be 50% of the original tariff."

8. Insertion of the provision after sub-regulation 2(j) of Regulation 4, i.e. *'Eligibility Criteria for qualifying as Generating Station based on Non-Conventional/Renewable Energy Source'* of Principal Regulations, 2023:

"(k) Battery Energy Storage System – The project shall qualify to be termed as a Battery Energy Storage System as defined under Regulation 3(1)(iii)(a))"

9. Amendment in first proviso of sub-regulation (2) of Regulation 11 *'Tariffs'* of Principal Regulations, 2023:

"Provided that the option of seeking project specific tariff shall not be available to the following:

(i) Any type of solar power plant;

(ii) Wind Energy Power Plants;

(iii) Battery Energy Storage System; and

(iv) Other RE based power projects having installed capacity upto 1 MW."

10. Insertion of the clause after first proviso and before second proviso of Regulation 12(1), i.e. 'Control Period or Review Period' of Principal Regulations, 2023:

"Notwithstanding anything to the contrary, the Commission, as and when required and to the extent deemed sufficient by it, may also determine separate benchmark capital cost and levelized tariff for the renewable energy based power projects based on the schemes of Central/State Government."

11. Amendment in sub-regulation (c) of Regulation 18, i.e. *'Depreciation'* of Principal Regulations, 2023:

"(c) The depreciation rate for the first 15 years of the Tariff Period shall be 4.67% per annum and the remaining depreciation shall be spread over the remaining useful life of the project from 16th year onwards considering salvage value of the project as 10% of the project cost.

Provided that rate of 7.50% per annum shall be considered for the Useful life of the Battery Energy Storage System after adjusting salvage value of the project as 10% of the project cost."

12. Amendment in sub-regulation (1) of Regulation 20 i.e. *'Interest on Working Capital'* of Principal Regulations, 2023:

(1) "(1) The Working Capital requirement in respect of Wind energy projects, Small hydro power, Solar PV, Canal Bank and Canal Top Solar PV, BESS, Solar thermal and GRPV/GSPV power projects shall be computed in accordance with the following:"

13. Amendment in Table under Regulation 35 of Principal Regulations, 2023:

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1. *The technology specific parameters for determination of generic tariff for Canal Bank SPV and Canal Top SPV commissioned or to be commissioned on or after date of notification shall be as below:*

Type Solar PV Plant	***Capital Cost***	***O&M Expenses for year of commissioning***	***Capacity utilization Factor***
	(Rs. Lakh/ MW)	***(Rs. Lakh/MW)***	
Canal Bank Solar PV Plant	*322.00*	*16.24*	*19%*
Canal Top Solar PV Plant	*343.00*		

"

14. Insertion of Regulation 39.A after Regulation 39 of Principal Regulations, 2023:

*"**39.A Battery Energy Storage System***

1. *The technology specific parameters for determination of generic tariff for Battery Energy Storage System commissioned or to be commissioned on or after 01.04.2025 shall be as follows:*

Capital Cost (Rs. Lakh/MWh)	***O&M expenses for year of commissioning***	***Normative Availability in a year***	***Degradation***
Rs. 250	*1.25% of Capital cost for the first year and escalation of 5.25% per annum for the tariff period.*	*95%*	*2.5% p.a. for tariff period.*

2. *Annual Availability of BESS means the system availabilities in all the time blocks during the year in which Beneficiary has scheduled power for charging/discharging the BESS and the same will be calculated as below:*

Availability in a time block = [Actual Injection or Drawal MUi (A)/Scheduled Injection or Drawal MUi (B)] X100

i i refers to the ith time-block (15 minutes) in the year where MUi (B)≠ 0.

ii MUi(A)= Agreed Despatch Schedule between Licensee or Beneficiary and BESSD which shall be finally sent to MSLDC for Charging/Discharging in the ith time block, in MUs

iii MUi(B)= Despatch Schedule provided by Distribution Licensee or Beneficiary to BESS for

Charging/Discharging in the ith time block, in MUs."

3. *Normative Depth of Discharge shall be 85%.*
4. *There will be preferably 2 number of cycles for complete charge and discharge cycles per day.*
5. *For optimal utilisation of BESS with respect to the cost and operational aspects of the BESS such as Cost of charging power, scheduling, discharge & discharge, location, system performance to be demonstrated for commissioning of the project etc., the distribution licensee in consultation with SDLC shall prepare a detailed procedure and submit the same before the Commission for approval within 3 months of notification of these regulations."*

15. Insertion of following proviso under Regulation 53, i.e. *'Power to Remove Difficulties'* of the Principal Regulations, 2023.

Following proviso shall be inserted in the Principal Regulations:

"Provided that for BESS projects, for the purpose of adaption and removal of any discrepancy, difficulty in implementation or requiring any clarification due to or giving effect to the Government policies issued from time to time, technological changes in the BESS technologies or any such related reasons, the Commission may also by Order provide for the same".

16. Amendment in Table-7 i.e. *'Levelised rate of Fixed Charges (RFC) for Canal Bank Solar PV and Canal Top Solar PV Power Projects:'* of Annexure-I of Principal Regulations, 2023:

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Particular	*Canal bank Solar PV Power Plants*	*Canal top Solar PV Power Plants*
	(Rs./kWh)	
Gross Tariff	*4.50*	*4.68*
Less: Acc. Dep. Benefit	*0.19*	*0.20*
Net Tariff	*4.31*	*4.48*

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By the order of the Commission

(Neeraj Sati)
Secretary